


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP10-066(a), Agreements and Contracts	Coordination: PW, CAO, CMO - Budget	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval: 

SUBJECT: AMEND PURCHASE ORDER 48837 WITH BUCKLES SMITH ELECTRICAL

RECOMMENDATION:

Authorize the City Manager to:

1. Amend Purchase Order 48837 with Buckles Smith Electric (San José, CA), for the purchase of new and reconditioned supplies and electrical parts, to increase maximum compensation by \$700,000, for a revised total amount not-to-exceed \$1,780,000 for the current term ending June 30, 2014.
2. Amend Purchase Order 48837 to increase the not-to-exceed amount for the remainder of the current term ending on June 30, 2014 in the event that the usage exceeds estimates, subject to the appropriation of funds.
3. Exercise the remaining one-year options to issue a new purchase order for the period July 1, 2014 through June 30, 2015, subject to the appropriation of funds.

Desired Outcome: To ensure electrical parts and supplies are available for required ongoing repairs and maintenance support services throughout the City of San José.

BASIS FOR RECOMMENDATION:

In May 2012, the Finance Department released a Request for Bid (RFB) for the purchase of Electrical Parts and Supplies for various departments. An open purchase order was awarded to Buckles Smith Electric as the low bidder in the amount of \$797,268.58. The initial term was for one year through June 30, 2013, with three one-year options to renew the purchase order.

On July 1, 2013, the City exercised Option 1 for the period July 1, 2013 through June 30, 2014 with maximum compensation not to exceed \$797,268.58.

In December 2013, Staff increased compensation by \$282,732.00 to \$1,080,000 in order to cover unforeseen expenditures, such as the purchases of repair parts for water machinery at the San José-Santa Clara Regional Wastewater Facility, and emergency repair work to replace copper wire due to theft, and parts for LED fixtures and poles due to increased traffic accidents. All these expenditures caused the depletion of funds reserved for the purchase of parts for scheduled repairs and maintenance work.

Staff anticipates that the estimated expenditures through June 30, 2014, will exceed \$1,080,000, which is the maximum amount delegated to staff for the purchase of supplies and materials.

COST AND FUNDING SOURCE:

Various City Department Funds

FOR QUESTIONS CONTACT: Mark Giovannetti, Purchasing Division Manager at 408-535-7052